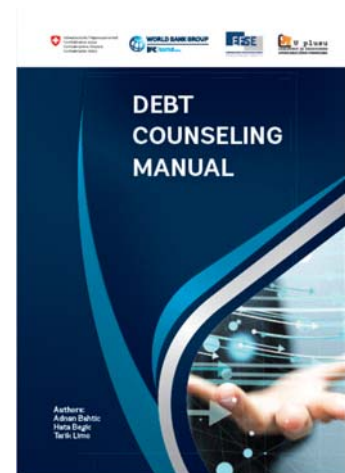


Manual supports city debt counselling services in Bosnia and Herzegovina

The country's Central Bank Governor says the guide is "key" to helping citizens manage their personal finances

Sarajevo, 16 November 2016 -- The Development Facility of the European Fund for Southeast Europe (EFSE DF) has sponsored a manual to assist municipal debt counselling for private citizens in Bosnia and Herzegovina as part of the fund's support for responsible finance in the 16 countries it serves.

Central Bank of Bosnia and Herzegovina Governor Senad Softić underlined the importance of the manual: "This guide will play a key role in providing important information for public-sector financial counsellors assisting people on how to best manage their personal finances. The Central Bank of Bosnia and Herzegovina supports financial education and counselling activities that are strengthening financial inclusion, and this project represents a prime example of one of them."



To produce the manual, the EFSE DF worked with the Switzerland's State Secretariat for Economic Affairs (SECO), the World Bank, the International Finance Corporation, and U plus, which is considered the country's leading organisation for promoting financial literacy; it offers a wide range of programmes and training that teaches people how to avoid indebtedness in the first place.



The manual is already part of debt counselling programmes in 30 municipalities. Amina Deljkovic (left), the deputy mayor of Sarajevo's Stari Grad municipality, says she has already met people her city's programme has helped, and as a mother of four, she can relate to struggling to master the family finances. "Any initiative that helps citizens reach their goals is something we support," Deljekovic said.

The handbook provides city workers with guidance for assisting people with up-to-date information about debt issues. Andrej Dizdarević (right), a debt counsellor in Sarajevo's Old City, says because many city employees such as himself have duties beyond advising Sarajevans about their finances, the guide and ongoing updates about changes in banking rules and regulations ensure people are receiving timely advice. He notes that many clients lack even a rudimentary knowledge of finance. "One person asked: 'What is a fixed interest rate?'"



Along with offering advice, Dizdarević said counsellors may even help formulate correspondence to their clients' banks. He estimated that he has served nearly 40 clients, and the main goal is to have those in debt engage directly with their lenders. This isn't always easy – Dizdarević described one case where a person had to visit a number of times before feeling confident enough to discuss the problem, which was monthly loan payments of EUR 500. Dizdarević said he discussed the situation and options with the client, who then approached the bank with a restructuring plan. The lender agreed, and now that client's monthly payment is only EUR 25, or three percent of the original payment.

Deputy Mayor Deljkovic lauded the perseverance and commitment of counsellors like Dizdarević, noting that they are willing to work well past quitting time so residents can receive the required assistance. "I believe good ideas need good people to be realized," she said.

EFSE DF Committee Chairman Markus Aschendorf, in Sarajevo to discuss the guide and the programme with city workers, said: "This manual is a very important tool for empowering local communities so they can help their citizens better understand financial products and how to handle their personal finances. The EFSE DF, as a promoter of responsible finance practices in all the countries it serves, is proud to have contributed to this important guide."

About the EFSE DF

The Development Facility of the European Fund for Southeast Europe (EFSE DF) was created in 2006 to support the fund's development finance mandate. It deploys effective, targeted and innovative technical assistance to maximise the impact and extent of the Fund's development finance mandate in target countries. The services of the facility encompass capacity building and training, financial sector support and applied research with the aim to strengthen the internal capacities and operations of the fund's partner lending institutions.

The facility operates independently from the fund in a fiduciary arrangement under Luxembourg law. The Development Facility Committee, comprising members nominated by KfW Development Bank, the Swiss Agency for Development and Cooperation, the development bank of Austria OeEB, and the Dutch development bank FMO, is responsible for assessing and approving all project proposals and providing strategic guidance to the facility.

About the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) was initiated by KfW Development Bank with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. It aims to foster economic development and prosperity in 16 countries in Southeast Europe and the European Eastern Neighbourhood. As access to finance is a key to successfully developing micro, small and medium enterprises (MSMEs), the fund seeks to improve the ability of local financial sectors to ensure adequate and sustainable financing. Although it offers funding for private households in the form of home improvement loans, the EFSE primarily provides long-term finance for MSMEs. Funds are channelled to these loan customers through local partner lending institutions.

Initiated by KfW in 2005 from four multi-donor programs under its management, the EFSE was the first public-private partnership of its kind and the first privately managed fund in development finance to leverage private funding for MSME finance in the target region. Oppenheim Asset Management Services S.à r.l., Luxembourg acts as the EFSE's Fund Manager and Finance in Motion GmbH, Germany as Advisor.

For more information about the European Fund for Southeast Europe, please visit: <http://www.efse.lu/>

Media contact EFSE

Eric Culp
Press Officer
e-mail: press@efse.lu
Tel: +49 (0)69 271 035-307